

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6970

BILL NUMBER: HB 1417

NOTE PREPARED: Jan 11, 2013

BILL AMENDED:

SUBJECT: Indiana Check-Up Plan Chiropractor Services.

FIRST AUTHOR: Rep. Davis

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 X FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Healthy Indiana Plan (HIP) to include coverage of chiropractor services. The bill also provides that the Healthy Indiana Plan may not permit treatment limitations or impose financial requirements on the coverage of chiropractor office services if similar limitations are not imposed on the coverage of services provided by a physician.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The fiscal impact of this bill is dependent on how the federal Patient Protection and Affordable Care Act (ACA) would be implemented with regard to the use of the HIP benefit model after January 1, 2014. Originally scheduled to expire on December 31, 2012, the HIP is operating under a one-year waiver extension granted by the federal Centers for Medicare and Medicaid Services (CMS). The bill would have only associated administrative costs if the HIP is discontinued as of January 1, 2014, since the provisions in the bill would be effective for six months - about the period of time it takes to complete the processing of a waiver amendment through CMS. If the HIP waiver is extended, it still would need to meet the federal fiscal neutrality requirements. If the HIP model is allowed to be used for an expansion of Medicaid eligibility, chiropractic services may be required to be provided in the same manner as those specified within the Medicaid State Plan.

The bill would also require the Office of Medicaid Policy and Planning (OMPP) to prepare and submit a Medicaid waiver amendment to CMS. Preparation and submission of the waiver is considered to be administrative in nature and should be able to be accomplished within the existing level of resources available to OMPP, assuming near customary agency staffing and resource levels.

Background Information:

The bill would add chiropractic services to the list of benefits required to be included by the HIP in a manner and to the extent as those offered for physician office services. OMPP reported to the Health Finance Commission during the 2008 interim session that chiropractic services were not offered in the HIP benefit package due to federal fiscal neutrality requirements for the HIP Medicaid waiver. The fiscal impact of the requirement would depend on how the benefit is structured within the waiver and how long the waiver would continue to operate. In 2010, the OMPP actuary estimated a range of additional annual cost to the HIP of \$1.1 M to \$2.6 M, depending on the limits placed on the chiropractic benefit. However, since the bill requires that chiropractic services must be offered in the manner and to the extent as those offered for physician office services, the higher end of the estimated cost range (\$2.6 M) could be the annual cost of adding this benefit.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: OMPP, Family and Social Services Administration.

Local Agencies Affected:

Information Sources: OMPP.

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